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Couperus, Stefan

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# Democracy not lost? Functional democracy as a panacea for crisis in interwar Europe

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**Stefan Couperus**

University of Groningen

## Abstract

The interwar period witnessed fierce criticism of the ways in which parliamentary democracies were operating in Europe. In many instances, authoritarian regimes replaced perceived malfunctioning democracies shortly after the ratification of democratic constitutions. Yet, many European intellectuals and politicians believed democracy was not entirely lost. Amidst the perceived crisis of democracy in Europe, one strand of intellectuals started to rethink the capacities of political representation and democratic governance, taking their cue from institutional innovations that incorporated group interests in state governance. Based on a range of representative councils installed in the 1920s, notions of ‘functional democracy’ were presented as a panacea for the crisis of European parliamentary democracy. This paper discusses the scope and impact of this strand of interwar political thought, alluding to the potential historical implications with regard to functional counter-balances within democratic governance in the face of the crises of democracy occurring in Europe today.

## Keywords

democratic crisis, functional democracy, interwar Europe, political history

The emergence of parliamentary democracy and the re-corporatization of society, particularly in the guise of the emergence of modern trade unions, have been quintessential to the make-up of modern political institutions and praxis since the late nineteenth century. Representative government and parliamentarism became key tenets of electoral democracy, whereas newly organized societal interests emerged as significant stakeholders in public affairs. Both developments went through a critical juncture in Europe after the First World War. Party politics and constitutionally defined democratic polities were

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## Corresponding author:

Stefan Couperus, Faculty of Arts, University of Groningen, PO Box 716, 9700 AS Groningen, The Netherlands.

Email: [s.couperus@rug.nl](mailto:s.couperus@rug.nl)

promulgated throughout Europe, whereas organized interests (e.g. trade unions, interest groups, cooperatives, citizens' organizations) were increasingly accepted as co-actors in many realms of state governance and public policy-making.

As such, the 1920s witnessed a series of definitive changes in the relations between state and society in Europe, the process to which Jürgen Habermas has referred as the dual – and dialectic – process of 'societal-ization' of the state and 'state-ification' of society (1989). It was only after – and partly also during – the First World War that the mutual reliance and interdependence of state and organized social interests became widely accepted in political, economic and social thought and practice (Romein, 1976: 369–70).

The first development, the widespread realization or consolidation of parliamentary democracy, became subject to fundamental doubt and contestation shortly after the Paris peace treaties. Brief euphoria about parliamentary democracy in the early 1920s was soon overshadowed by widespread criticism of the institutions and praxis of representative government and parliamentarism. Both functional as well as ideological critiques of proportional representation, constitutionally defined liberties, parliamentary decision-making, party politics and weak executive powers fed into an irreversible host of amendments, complete reforms and rejections of the democratic polity throughout Europe (Mazower, 1998: 1–39).

However, and in strong contrast to parliamentary democracy, the second development, the establishment of organized societal interests as partners in (democratic) state governance, was perceived as a potential solution to – not a cause of – democratic crisis. Yet, historiography particularly stresses the intellectual and political discourses on the perceived shortcomings and limitations of representative government and parliamentarism in Europe during the interwar period – and the subsequent, mostly anti-democratic, solutions proposed by socialist, conservative, fascist or authoritarian commentators. This article, however, highlights a reformist discourse, which centres on the inclusion of societal group interests in democratic governance praxis. Functional democracy, the notion that societal functions, not merely individuals, are constituent parts of the *demos* and should be entitled to participate in decision-making regarding public affairs, became a reformist trope that did not reject democracy altogether but tried to remedy its alleged shortcomings by proposing a second trajectory of democratic state governance, alongside parliamentary decision-making.

Modes of functional democracy were not merely intellectual exercises. In the 1920s, myriad institutional settings increasingly provided for a playground within which societal interests and groups were included in various aspects of state governance. Key to these institutional settings were the national (socio-) economic councils that were established in almost all European countries. These councils embodied the institutional entanglement between state and society, comprising interest groups such as trade unions, industrialists, shopkeepers and voluntary associations, but also state representatives and officials. By interpreting these (socio-)economic councils as institutional and intellectual attempts to buttress European democracies from within, this article sheds a new light on interwar conceptions of democratic reform. Moreover, it highlights a particular institutional nexus as a significant environment of extra-parliamentary democratic praxis, thereby transcending the predominant (neo-) corporatist framework of interpretation.

This article will first present some key intellectual reflections on and institutional settings of the national economic councils in interwar Europe, which should be interpreted as attempts to rethink democratic practice and institutional design in terms of ‘functional democracy’, without doing away with democracy altogether. Then a brief outline of the *trans*-national (in the sense of beyond the national framework) ramifications of functional democracy will be given, to disclose how group-based extra-parliamentary political representation and participation fostered ideas about transnational democratic governance in Europe too. The conclusion will elaborate on some of the main findings.

## The political representation of society beyond parliament

In general, the interwar years should be read as an experimental interlude during which newly established European democracies struggled to find a status quo without having, as Mark Mazower puts it, ‘any indigenous tradition of democracy’ (1998: 25). At the same time, pre-existing democracies had a hard time reconciling new social demands and realities with the expansion of suffrage and partisan politics. Generally, liberal democracy and parliamentarism were heavily criticized throughout Europe, which either nurtured a backlash to anti-liberal, authoritarian regimes (e.g. Poland, Hungary, Finland, Austria, Portugal) or prompted reformist thought about the institutional design of representative democracy (e.g. Weimar Germany, France, the Low Countries, Britain, Czechoslovakia). Whether stressing the lack of efficacy (and efficiency) of parliamentary decision-making, the perceived dangers of mass democracy and party politics, or the inability of the democratic state to legislate and govern according to a clearly articulated common good, reform – or revolution for that matter – seemed imperative to many.

One strand of criticism explicitly took the increased interdependency of state and society as a point of departure to rethink the institutional design of democratic governance. Against the backdrop of emerging critiques of the institutions and foundations of parliamentary democracy and liberal constitutionalism, the interdependency of state and society became a trope within reformist discourse. This interdependency, however, was not to be secured within existing institutions of parliamentary deliberation or representative government by regulating electoral democracy. Rather, the entanglement between state and society should be organized outside parliament.

In this current of thought, representative democracy became detached from its exclusive equation with electoral practice, parliamentarism and individual political rights. Instead, societal groups and interests were seen as a starting point for rethinking democratic practice and institutional design outside of parliamentary decision-making, as opposed to other, much-echoed remedies, such as strengthening the executive, creating electoral thresholds and doing away with democracy altogether.

The most feasible expression of the reformist capacity that was attributed to organized interest groups in the early twentieth century was the widespread creation of national bodies (councils in most cases) comprised of social and economic interests, which were included in decision- and policy-making procedures throughout Europe and beyond. In some cases, such as Weimar Germany, pre-Pilsudski Poland and interwar Czechoslovakia, these councils could potentially, according to constitutional law, develop into full legislative bodies, alongside the elected parliament. In most cases, such as in France, Belgium,

the Netherlands and the United Kingdom, consultative and advisory capacities were vested in these councils. Obviously, in fascist Italy, the Austrian *Ständestaat* and the *Estado Novo* in Portugal, these bodies of interest group representatives and experts replaced electoral democracy, partisan politics and parliament altogether.

In scholarly analyses these national economic and social councils (e.g. the German *Vorläufige Reichswirtschaftsrat* of 1920, the French *Conseil national économique* of 1925, and the British Economic Advisory Council of 1930) have been subsumed under various conceptual headers: corporatism (i.e. the degree to which the central state regulates socio-economic life by involving state-approved organized interests and expertise), the democratization of industry and the economy (i.e. the degree to which organized interests obtained a say in industrial management and governance) or, closely related, the reconciliation of labour and capital through multipartite bargaining and deliberation.

However, as more recent scholarship argues, the lenses of political economy and (neo-)corporatism tend to blur the more fundamental impact on democratic thought and practice these representative bodies had during the mid-twentieth century. By looking at the nexus of national (socio-)economic councils in interwar Europe as part of a set of governance practices of consultation, deliberation, legislation and regulation, alternative conceptions of representative democracy come to the fore, showing how they were presented as solutions to existing shortcomings in the institutional design and praxis of democracy. These conceptions amounted to notions of 'functional democracy', an alternative political democracy in which the tenets of electoral democracy, party politics and parliamentarism were substituted by group representation. This postulated an organization of society along the lines of 'functions' (i.e. vocations and trades) and a socio-economic definition of the common good. Moreover, as this paper will address, functional democracy appealed to notions about establishing transnational forms of democratic governance too, thereby trying to overcome what the German economist Moritz Bonn in 1925 called 'the crisis of European life' (1925: 84). As such, national economic councils, composed of representatives of organized interest groups, reinforced and spurred on currents of political thought and practice that defined inclusionary participatory politics beyond the categories of the individual, the party or elected parliament.

## **Realities and imaginaries of functional democracy in interwar Europe**

The ratification of new national constitutions in the late 1910s and early 1920s went hand in hand with the emergence of a new locus of political representation: the extra-parliamentary national (socio-)economic councils. Increasingly perceived as a second circuit of representative government, alongside the elected parliament these councils were presented as the panacea for a series of alleged failures of parliamentary democracy. Vesting consultative and legislative powers in economic councils would counter the limited implementation of socio-economic reforms due to the lack of parliamentary consensus. Moreover, by having societal group interests represented in state governance, a 'functional' definition of the common good would replace parliament's inability to determine a clearly articulated general will of the nation.

The idea of national economic councils was not new – in fact it was also integrated in many restorative beliefs that emphasized the role of functional or organic groups in decentralized decision-making throughout the nineteenth century. Yet, the institutional experiment and the concomitant debates about them reinvigorated the debate about an alternative nexus of democratic governance.

Whereas the changes in democratic and political thought in the period 1870–1940 have received ample scholarly attention, the institutional and practical experience with economic councils during the interwar period has been treated rather one-sidedly in the historiography. The institutional configurations in question have mainly been addressed in the literature on the history of industrial relations and – in the wake of Philippe Schmitter's seminal article 'Still the century of corporatism?' (1974) – neo-corporatism. Generally, scholars implicitly set post-1945 tripartite welfare capitalism as a benchmark for pre-war achievements, and then proceed to employ a rather linear historical narrative of failure, highlighting the limited significance of conciliatory, consultative or bargaining institutions with representative structures during the late nineteenth and early twentieth centuries (Schmitter and Lehbruch, 1979; Middlemas, 1979; Berger, 1981; Maier, 1975; Scholten, 1987; Streeck and Schmitter, 1985; Cawson, 1985a; Crouch, 1993; Berger and Compston, 2002; Crouch and Streeck, 2006; Davids et al., 2007). Interwar antecedents of post-1945 institutions of welfare capitalism have thus been incorporated in a rather unproblematic and normative analysis of state–society rapprochement, in most cases subscribing uncritically to the neo-corporatist research paradigm of the late twentieth century. An important exception here is the work of Peter Katzenstein on corporatism in small European states. He states that students of political science should study parliamentary democracy and corporatist schemes as interconnected constituents of a political system: '[The] essence of democratic corporatism lies in its alignment of a territorially based parliamentary system of representation with a particular functional representation of interest groups' (Katzenstein, 1985: 137).

However, whereas many authors recognize the coexistence of 'pluralist politics and parliamentary forms' on the one hand, and 'corporatist politics and functional representation' on the other, with regard to post-war (mainly Western and Northern) Europe, limited, if any, reference is made to preceding (pre-war) constellations amounting to a similar if more fragmented complex of coexisting and converging institutions (Cawson, 1985b: 133). Only for France, and to a lesser extent Belgium, have elaborate accounts been published that transcend the framework of mere neo-corporatist interpretation, meaning, broadly, state-controlled conciliatory schemes in which employers' and workers' representatives discussed a range of socio-economic issues (Kaplan and Minard, 2004; Rosanvallon, 1998; Luyten, 1992, 1993). The work of the French historian Alain Chatriot (2002) in particular, whose analysis connects to the remarkable multi-volume non-Jacobinist interpretations of French democracy by Pierre Rosanvallon (1998), offers an excellent illustration of how to integrate socio-economic councils into the history of representative government, political representation and participation, a case in point being the French Conseil national économique (CNE), created in 1925. Chatriot eschews the projection of contemporary, late-capitalist concerns onto early twentieth-century institutions. Instead he shows that the CNE was imagined as an alternative form of political representation. This analysis can be extended to other national economic councils,

which were both the expression, as well as the catalysts, of a series of experiments with alternative modes of political representation and participation in interwar Europe.

In peacetime, permanent dialogues were established between the government, its executive branches, and the councils and boards into which organized interests were increasingly clustered during the late 1920s and 1930s, accumulating until they became what Charles S. Maier (1987) has described as pyramids of interest representation. During the interwar period intellectuals reflected on these 'pyramids', increasingly expressing awareness of their impact on the institutional organization of government, democracy and political representation.

Ultimately, governments at all levels had to accede, mostly reluctantly, to the pressures exerted on parliamentary democracy by a 'new corporative collusion' (Eley, 2002: 221). An illustrative case is the manifestation of the local state as an employer of blue- and white-collar workers who, in the course of the twentieth century, came to be represented in various participatory schemes ranging from collective bargaining to full-blown workplace democracy or self-management. These and similar overtures resulted in a renegotiated, modified social contract, entailing not only an enlarged franchise and the appreciation of trade unions and voluntary associations as partners in policy-making, but also the acceptance of extra-parliamentary avenues of political representation and participation. According to one interwar commentator, 'a network of industrial committees and economic boards [was created] which not only paralleled the political structure, but assumed great practical importance' (Lorwin, 1931: 6). Consequently, debates about extra-parliamentary political representation and participation within the intermediate structures between state and society, and, on a slightly higher level of abstraction, discussing the conceptual link with parliamentary democracy became ever more concrete from the 1920s onwards.

Initiated by either state intervention or by bottom-up self-regulation, many interwar arrangements echoed critiques of the liberal tenets of parliamentary democracy. Such non-liberal strands of thought, which surfaced from the mid-nineteenth century onwards in many philosophical and ideological guises ranging roughly across social Catholicism, German organic state theory, Anglo-Saxon pluralist thought, notions of corporatism and collectivism and forms of council democracy, have been subjects for scholarly debate and production for decades (Bowen, 1947; Elbow, 1953; Black, 2003; Stears, 2002; Runciman, 1997; Williamson, 1985). Cécile Laborde (2000) cogently captures the essence of this body of ideas by sketching a shift from dichotomous liberal thought (state-individual) to trichotomous considerations (state-group-individual) in democratic theory.

During the late nineteenth and early twentieth centuries, many intellectuals indeed appealed to the 'group basis of politics', a phrase coined by Earl Latham (1952) meaning a widely spread preference for groups, either organically composed (such as families or religious communities) or constituted by economic or societal function – in the vein of Saint-Simon – over individuals as the basic cells of democratic politics. As Marc Stears (2010: 44–54) argues, even American Progressives conceptualized an alternative strand of democratic politics, promoting a particular kind of industrial democracy in which individual representation was subordinate to occupational representation from the late 1910s onwards. Similar considerations from the National Planning Board in the United

States reached President Roosevelt in 1934, in a report that proclaimed that extra-parliamentary councils ‘exerted a useful influence in bringing together various interests and in inducing a general rather than a special point of view in the nation’ (National Planning Board, 1934: 28). In effect then, the production of some sort of common good was no longer conceived of as exclusively the result of rational deliberation by an elected assembly of individuals.

Trichotomous considerations of democracy found expression in a plethora of intellectual reflections on the crisis of dichotomous democracy. In 1906, the legal philosopher Georg Jellinek had already pointed to the discrepancy between the ideal type of parliamentary democracy and representative government and its actual practice, stating that ‘eine Beschränkung der parlamentarischen Macht’ (‘a restriction of parliamentary power’) (1906: 76) was inevitable in the long run. Jellinek had seen that in many countries legislative initiative was partly transferred to the executive, and the content of policy-making was more and more displaced from parliament into extra-parliamentary institutions – in Jellinek’s terms, ‘Spezialparlamente’ – in which experts and interest groups were involved in the practice of interest conciliation, policy study and adjusting plans in close connection with officials from ministerial departments.

The French legal philosopher Maurice Hauriou introduced the term ‘l’administration consultative’ (‘consultative administration’) in 1927 (1975: 115). To him this was a third modality of administration, next to ‘administration exécutive’ (government) and ‘administration délibérante’ (parliament), which manifested itself primarily in the national economic and social councils of Europe. Hauriou thus extended the *trias politica* by articulating a clear realm of political action for societal interest groups within state governance.

The political scientist Fritz Nova defined Hauriou’s ‘administration consultative’, embodied by the national economic councils, as an additional sphere in democratic politics. Nova, who migrated to the US before Hitler’s rise to power, was a fierce proponent of what he called the ‘supplement to political representation’, i.e. the establishment of ‘a permanent, national, non-political, advisory economic council’ which would supply the executive and parliament with ‘the experience, the ideas, and the recommendations of the economic interests of the country’ (cited in Talbot, 1951: 162–3). To Nova the authoritarian experiences with ‘corporativism’ in Italy, Portugal and Germany in essence had nothing to do with the instrument of functional representation within a democratic polity. Yet other, non-authoritarian experiences, for instance with the Reichswirtschaftsrat of the Weimar Republic, could serve as example institutions to be implemented in democratic polities, particularly in the United States (Nova, 1950).

In 1923, the British political scientist Herman Finer distinguished a theoretical and a practical movement that responded to the perceived crisis of representative government in Europe. According to Finer, the theorists envisaged various new polities in which political competences were divided among new representative bodies that would replace, in the case of Britain, the Upper and Lower Chambers, and would allow for the mirroring of society within government, the relief of parliamentary decision-making and new channels of socio-economic regulation (Barker, 1950: 14–22). G. D. H. Cole’s (1921) famous system of guild socialism, a structure of self-governing functional



groups (guilds) in which the state would dissolve, was among the most quoted theoretical alternatives presented in Britain.

In contrast, practical responses to the perceived crisis of representative democracy and government could already be witnessed in continental Europe, Finer (1923) argued. To Finer, the practical response amounted to the functional differentiation of government by means of delegation to extra-parliamentary representative bodies. The installation of the *Vorläufige Reichswirtschaftsrat* in Weimar Germany was exemplary to him. According to Finer, it reflected the elimination of 'the territorial boundaries of the small locality' in favour of a pre-eminence of 'personal association according to occupational groups' (1923: 55) in state governance.

In 1937 the exiled German philosopher, Karl Loewenstein, also witnessed an omnipresent advance of extra-parliamentary representative socio-economic institutions during the two decades following the First World War. The function of those institutions, Loewenstein noted, stretched from 'merely consultative powers' to 'full political powers' (1937: 420–31, 529–30) similar to those of parliaments. The advisory capacity of these socio-economic bodies, he continued, manifested itself most fully in Weimar Germany and Czechoslovakia, but was also discernible in many traits throughout Western and Central Europe. To varying extents, fully fledged socio-economic parliaments were established in fascist Italy, Portugal and Austria, but, in Loewenstein's reading, moderate elements of those fascist or corporatist constellations also existed in Northern and Western European countries.

Whereas Loewenstein remained sceptical of the democratic potential of national economic councils, the Romanian minister and intellectual Mihaïl Manoïlesco favourably proclaimed 'le siècle du corporatisme' ('the century of corporatism') (1936). To Manoïlesco, corporatism, of which he conceptualized a singular subtype ('corporatisme subordonné') to refer to fascist Italy, had begun to substitute the postulations of liberalism and socialism as the foundations of political and social organization from the 1920s onwards (Schmitter, 1974: 117–28). He characterized the current state of affairs as 'corporatisme mixte' (mixed corporatism), a situation in which functionally defined bodies were at best equated with, but mostly subordinate to, a territorially defined representative assembly, i.e. elected national parliaments. In time, however, corporatism, according to him, would inevitably hamper the maturing of parliamentary democracy and eventually replace political systems rooted in nineteenth-century liberal democratic thought. He envisaged a future constellation of 'corporatisme pur' (pure corporatism). In this stage, all corporations would be autonomous in their own functional domain; the state, in Manoïlesco's system, ought to be the corporation involved in the activities of defence and law and order. In other words, Manoïlesco foresaw the emergence of a new political system that would rely on forms of functional representation to compose its governing bodies.

Which interwar institutions prompted the reflections of Hauriou, Nova, Loewenstein and Manoïlesco on functional representation and democracy? With hindsight, and supported by a vast body of quantitative material from several European countries, the political scientist Colin Crouch states in his admirable study, *Industrial Relations and European State Traditions*, that 'an institutional snapshot of 1919 would demonstrate an extraordinary general shift towards unambiguously corporatist institutions' (1993: 127).

Though varying in task, composition and authority, Europe indeed witnessed an enormous outburst of extra-parliamentary bodies with representative capacities in the immediate aftermath of the First World War. During the mid- and late 1920s extra-parliamentary institutions ‘thickened up’ and a series of new arrangements emerged, reflecting a trend towards more complex consultation and bargaining structures in which officials from ministerial departments, experts and branch-level representatives – both employees and employers – became the main actors at the national level. An inventory compiled under the aegis of the League of Nations shows the remarkable number of national ‘economic councils’ founded during the late 1910s and 1920s (Lindner, 1932: 104–9).

At the national level, the new European states were among the first to create, or constitutionally define, representative multipartite socio-economic councils. In Czechoslovakia, an Advisory Committee for Economic Questions was established in 1919. Initially the government appointed members, though subsequent amendments to the decree governing the committee resulted in a representative body that undertook a number of unsolicited activities and whose members were nominated by their industry (in the case of employers), their unions (in the case of workers), and voluntary associations including consumer, scientific and some other organizations (Lindner, 1932: 31–3). Ultimately, even linguistic minorities and some degree of proportional territorial representation were taken into account in the Czechoslovakian case (Lorwin, 1931: 10).

The Polish constitution of 1921 provided for the setting up of a Supreme Economic Council, but its actual formation was postponed and eventually abandoned. That was mainly due to the fact that its constituent parts, so-called Chambers of Commerce, Industry, Agriculture and Transport, in which local delegates of employers and trade unions were to be represented, developed rather slowly due to social and political turmoil. In Estonia (1919), Yugoslavia (1921), Ireland (1922), Finland (1928) and Latvia (1929) similar initiatives had more success. In other countries, such as Belgium, the Netherlands, France and the Scandinavian states, pre-existing or new institutions were incorporated into a host of representative agencies and councils functioning at the national level.

The composition of economic councils in Europe differed in size, ranging from 20 members in Finland to 150 in Czechoslovakia and 326 in Germany. They were diverse too, but again to different degrees, ranging from a detailed division between represented vocations and professions to a single distinction between employers and labour, and varied in state contribution from a single president to full ministerial representation. The mechanisms of selection – whether by appointment, election or nomination – and the extent of state control differed, depending on the authority of the institutions, which ranged from noncommittal advice to mandatory consent before the enactment of law, to, ultimately, legislative competence, as was the case in the corporatist and authoritarian Portugal and Austria in the 1930s. In some countries women obtained suffrage for such councils before they were granted the same rights for parliamentary elections. However, it was only in France and Germany that women actually obtained seats in the councils (Lorwin, 1931: 9). In general, the composition, selection mechanisms, authority and proximity of councils to state bureaucracy were not fixed during the interwar period: they were subject to continuous debate and change.

Taken together, and by looking beyond the interpretative framework of (neo-)corporatism, these national economic councils disclose a Europe-wide practice with political

participation and representation that transcended – or even denounced – the defining principles of liberal democracy. The *demos*, i.e. the political community, was defined as a composite of functional groups, not of individuals. As such, group interests were at the base of the political process and the body politic, from which an articulation of the common good would come. Political parties, whose outlooks were mostly informed by a particular political ideology, were rejected in favour of associations representing particular group or sector interests. In this way, societal interests which were not addressed in the politically elected legislative bodies could be represented, articulated and negotiated. In essence, to many, functional democracy offered an alternative avenue of democratic politics during the interwar period, allowing for a different means of political emancipation and participation. It was not by enlarging franchise, civil rights or citizenship that inclusion was promoted, but through acknowledging and including the perceived functional group to which citizens belonged in the political process.

### Inter- and trans-nationalizing functional democracy

After having created the National Council of Corporations, a legislative body for sectors such as agriculture, arts, industry, banking and transport, in fascist Italy in 1930, minister Giuseppe Bottai argued in favour of a global equivalent to tackle the economic crisis that was spreading globally. He proposed a so-called ‘World Economic Council’ under the aegis of the League of Nations, which would include representatives of all existing economic councils in order to establish regulatory economic measures on a global scale (*Het Vaderland*, 1931). Bottai’s suggestion clearly reflected the anti-democratic institutional designs of fascist corporatism, for instance by stressing the key role of the state in determining the setup of national and international councils.

Also working from economic analysis, but with a clear democratic purpose, the French economist Francis Delaisi presented his idea of ‘A-Europe’ in 1929. ‘A-Europe’ represented a set of industrialized nation-states physically and mentally connected by the belief in horsepower, whereas ‘B-Europe’ stood for an agricultural Europe that was ever more separated from ‘A-Europe’. To Delaisi ‘le cheval-vapeur’ (horsepower) was the natural ally of democracy. He postulated a direct link between a horsepower-driven economy and democracy and even argued that cross-border functional representation was the best way to create Europe as a democratic and political unity (1929: 47–52).

Bottai and Delaisi’s proposals reflect how, by the late 1920s and the early 1930s, the national economic councils in Europe (and elsewhere) incited ideas about functional representation and group-based political participation beyond the national frameworks of reference. They also reflect how anti-democratic political thought as well as reformist democratic thought alluded to similar institutional configurations to achieve European or even global socio-economic governance.

Such ideas were neither new nor marginal. Within the fabric of the League of Nations, some progress had already been made with regard to assessing the international impact of national economic councils on international collaboration and governance (Clavin and Wessel, 2005). In 1931, the economist Elli Lindner, hired by the League of Nations, noticed such an abundance of assemblies in which social and economic interests were represented that she opted for ‘ein Europäisches Gremium, in

welchem sich die nationalen Wirtschaftsräte zu gemeinsamer Arbeit zusammenfinden können' ('a European body in which national economic councils might meet and work together') (1931: 472). To some proponents of an independent international political economy from both ends of the political spectrum, Lindner's suggestion endorsed their proposals to create the functional representation of socio-economic interests beyond national borders, which would bring the era of national, territorially defined and individual-based parliamentary democracy to an end. This was not a noncommittal intellectual exercise: institutional developments and increasing experience with international governance within the League of Nations gave practical credit to the idea of a transnational functional democracy.

One of the main realms of international administration within the League of Nations in the interwar years was indeed industrial economy. In 1923 the temporary Joint Economic Committee was divided into two permanent bodies that were constituted of representatives of national governments: the Economic Committee and the Financial Committee. Both were established as inter-governmental bodies 'that had an exclusive mandate to examine economic and monetary questions and to publish policy recommendations aimed at the [League of Nations] Assembly and the Council' (Clavin and Wessel, 2005: 472).

Yet, analogous to the advent of advisory and deliberative councils on the national level, a third committee was established in 1927: the Economic Consultative Committee (ECC). This is where the amalgamation of national economic councils entered the international level of governance. In contrast to the governmental representatives in the former committees, however, the ECC was designated to represent 'industry, commerce, agriculture, finance, transport, labour questions and questions relative to consumption' (Morley, 2007 [1932]: 614). Thus, the ECC reflected the general consent to the incorporation of economic interests into schemes of international administration. Moreover, it articulated a cross-border mode of functional representation. As such, it was at odds with the predominant state centrism within the League of Nations' fabric in general.

Auxiliary or affiliated organizations such as the International Labour Office, the International Institute for Agriculture and the International Chambers of Commerce and Trade, were invited to think about delegates representing their group interests (labour, agriculture and commerce). These organizations should enable a form of functional representation that would transcend territorial confinement. In fact, the International Labour Office, as the international manifestation of tripartite collaboration (between states, capital and labour), by itself can be seen as an expression of the desire to sustain and promote new forms of tripartite industrial capitalism. Yet, the ECC went a step further: it unleashed an attempt to secure an all-encompassing representation of the socio-economic domain, simultaneously transcending national traditions, idiosyncrasies and delineations.

Other organizations, for instance the International Union of Local Authorities, sought to be represented in the ECC, urging for 'their function' (i.e. local affairs) to be represented, but were neglected and surpassed despite laborious lobbying in the corridors of Geneva and Brussels. The International Union of Local Authorities considered cities (or their administrations) distinct from nations and their governments – as undiluted functional and transnational actors par excellence. This conception rooted in a 'transnationalized' political-utopian discourse on municipal socialism that evocatively appealed to 'a

world in which home-ruled cities would be the basic cells of a democratic order more amenable to peace, mutual understanding, and the resolution of social problems across national borders' (Payre and Saunier, 2008: 78).

When using the criteria and terms manifest in existing historiography, one could perceive the ECC as another example of an attempt to establish a permanent structure of multipartite deliberation – a minor chapter in the history of industrial relations. Yet, the inception of and debates about the ECC reveal the international dimension of the emergence of deliberative, representative agencies during the interwar period. National debates, which had already been infused by international comparisons, were now interlaced with transnational arguments, regularly surfacing at League of Nations events during the interwar period. Consequently, the establishment of national economic councils throughout Europe was no longer seen as an aberration, but, moreover, was accepted as inevitable in re-establishing society and economies domestically as well as internationally.

As such, functional representation, or the presence of organized interest groups in representative bodies, permeated the narrative of internationalism. This offered ammunition to those sceptical about international collaboration via the League of Nations as a means of maintaining peace and global economic activity. At the same time, however, the League of Nations promoted trans-national cooperation, stimulating collaborations between organizations that did not necessarily represent national governments.

## Conclusion

This article has only begun to address and assess interwar practices of – and intellectual reflections on – functional democracy through a host of national (socio-)economic councils. However, it does offer some leads from which we might probe further into the intellectual and institutional history of functional democracy in interwar Europe and beyond. This history discloses a number of very fundamental considerations about the democratic polity that stretch beyond the theoretical axioms of parliamentary democracy. As such, it invites political theorists and historians to rethink the 'post-liberal' critiques on representative government and parliamentary democracy, not by adopting the rather normative lens of (neo-)corporatist theory, but by reading the surrounding intellectual discourses and institutional practices as thorough adaptations of functional democracy.

One might argue that the interwar nexus of extra-parliamentary political representation and participation, revolving around national (socio-)economic councils, represents a second circuit of political representation, participation and, to some extent, emancipation. In this circuit the individual was replaced by functional groups as the basic cells of the body politic, individual elections were not perceived as a *sine qua non* for democratic politics, and socio-economic (group) interests fostered the production of a common good. These notions were not restricted to reformist discourses and experiments at the national level. They translated into transnational understandings of the organization of European politics, particularly within the League of Nations. Functional democracy thus became a way of conceptualizing political collaboration in Europe, thereby implicitly circumventing the ever more troublesome sphere of inter-governmentalism in the interwar period.

Amidst the widely proclaimed crisis of interwar European democracy, the notion of functional democracy as a counterbalance to parliamentary democracy became an attractive panacea for the perceived ills of parliamentarism, party politics and representative government, without necessarily wanting to do away with them altogether. Without resorting to anti-liberal or anti-democratic authoritarianism, both new and pre-existing democratic politics (e.g. in Weimar Germany, the Netherlands, Britain, France and Czechoslovakia) considered the inclusion of societal interests in state governance, to varying degrees, as a means to consolidate democratic praxis and avert an authoritarian backlash.

We should primarily understand these functional counter-balances in democratic governance within the specific historical and political context of interwar Europe. With today's emphasis on the electoral method as the main source of legitimacy for individual political officeholders, as well as contemporary criticism of, for instance, the representativeness and the legitimacy of post-industrial consociational or neo-corporatist governance arrangements, it might be hard to see how group-based, functional democracy bears the capacity to sustain, rather than undermine, parliamentary democracy. Indeed, functional democracy is easily denounced by pointing to its democratic or liberal deficits (it might assume non-electoral forms; it sees functional groups as constituent parts of the *demos*) from a contemporary perspective.

However, by taking into account a longer historical-institutionalist perspective, one might also argue that the parallel development of functional and parliamentary democracy from the late nineteenth century onwards, with an acceleration in the interwar period and in the managed democracies of post-war Europe, invites us to rethink the institutional configurations that have rendered democratic governance locally, nationally and supranationally. By looking at how functional insertions into democratic governance practices have served, whether discursively or legally, as counter-balances to parliamentary, electoral democratic practices, new cues might present themselves for rethinking the curtailment of democratic backsliding or authoritarian reflexes today.

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## Author biography

Stefan Couperus is Associate Professor of European Politics and Society at the University of Groningen. He works at the interface of the humanities and the social sciences, having a particular interest in the history of modern democratic thought and practice, and the historical relationship between urban governance, planning and society in post-war Europe. His most recent publications include *(Re)Constructing Communities in Europe, 1918–1968* (2017, co-edited with Harm Kaal) and *Populism and the Remaking of (Il)Liberal Democracy in Europe* (a co-edited special issue of *Politics and Governance*, 2017).